

MINUTES

Tuesday, April 23, 2019

**East Bay Municipal Utility District
Board of Directors
375 Eleventh Street
Oakland, California**

Regular Closed Session Meeting

President Marguerite Young called to order the Regular Closed Session Meeting of the Board of Directors at 11:05 a.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Andy Katz, Doug Linney, Lesa R. McIntosh, Frank Mellon, William B. Patterson, and President Marguerite Young were present at roll call.

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Assistant General Counsel Xanthe M. Berry (Items 1a, 2a and 2b), Engineering Manager Elizabeth Z. Bialek (Items 1a, 2a, and 2b), and Attorney Derek T. McDonald (Items 1a, 2a, and 2b).

PUBLIC COMMENT

- Addressing the Board was Eric Larsen, Recording Secretary, AFSCME Local 444, who commented on the proposed amendments to the District's Employees' Retirement System Ordinance.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President Young announced the closed session agenda. The Board convened to Conference Room 8 for discussion.

Regular Business Meeting

President Young called to order the Regular Business Meeting of the Board of Directors at 1:15 p.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Andy Katz, Doug Linney, Lesa R. McIntosh, Frank Mellon, William B. Patterson, and President Marguerite Young were present at roll call.

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer and Secretary of the District Rischa S. Cole.

BOARD OF DIRECTORS

President Young led the Pledge of Allegiance.

PRESENTATION

General Manager Alexander R. Coate announced the District received the California Municipal Utilities Association's 2019 Best Energy Program Award for a medium-sized utility for the Resource Recovery Program. The Best Energy Program Award is given to utilities that demonstrate innovative and effective approaches in implementing renewable energy resources and strategies for greenhouse gas reduction. The District's Resource Recovery Program utilizes excess digester capacity to convert commercial and industrial food processing wastes into biogas and renewable electricity. As a result, the District's Main Wastewater Treatment Plant was the first in North America to become a net energy producer and export significant amounts of renewable electricity to the grid. On behalf of the Board of Directors, Director Andy Katz presented the award to the following employees in attendance representing all employees that contribute to the success of the Resource Recovery Program: Assistant Wastewater Shift Supervisor Cheryl A. Franklin, Senior Civil Engineer Matthew R. Hoeft, Associate Civil Engineer Michael J. Hyatt, Chemist II Iris C. Kan, Associate Civil Engineer Lilian Leung, Assistant Wastewater Shift Supervisor Ken K. Ma, Wastewater Control Representative Mortay V. Mendoza, Chemist II Robert M. Molina, and Plant Mechanical Maintenance Supervisor Ryan D. Quezada.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

- Item 1 was removed from the Consent Calendar for comment.
 - Motion by Director McIntosh, seconded by Director Coleman, to approve the recommended actions for Items 3-8 on the Consent Calendar, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Mellon, Patterson, and Young); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 070-19** – Approved the Regular Meeting Minutes of April 9, 2019.

President Young pulled Item 1 to report the draft minutes submitted for approval have been corrected and a copy of the corrected version was provided at Board places.

- Motion by Director McIntosh, seconded by Director Coleman, to approve the recommended action for Item 1, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Mellon, Patterson, and Young); NOES (None); ABSTAIN (None); ABSENT (None).

2. The following correspondence was filed with the Board: 1) April 9, 2019 EBMUD Regular Board Meeting minutes (corrected version); 2) Presentation entitled “Amendment to EBMUD Retirement System Ordinance (No. 40) – Section 21 First Reading,” dated April 23, 2019; 3) Presentation entitled “2019 Water Supply Availability & Deficiency Report,” dated April 23, 2019; 4) Presentation entitled “2019 Water Supply Update,” dated April 23, 2019; 5) Memo to Board of Directors from Secretary of the District Rischa S. Cole entitled “Board Meeting Video Recording Pilot – Update,” dated April 23, 2019; and 6) Speakers’ Bureau and Outreach Record CY19 dated April 23, 2019.
3. **Motion No. 064-19** – Authorized an agreement with the City of Pleasant Hill in the total amount not to exceed \$146,916 to upgrade District gate valve boxes after street paving beginning on or after April 23, 2019 through June 30, 2019.
4. **Motion No. 065-19** – Authorized an agreement beginning on or after April 23, 2019 with Scott Johnston, Inc., in an amount not to exceed \$100,000 for supplying software support services for the District’s Laboratory Information Management System for two years.
5. **Motion No. 066-19** – Authorized an agreement beginning on or after April 23, 2019 with Tait Environmental Services, Inc., in an amount not to exceed \$943,786 for engineering design services for the Fuel System Improvements Project.
6. **Motion No. 067-19** – Approved the Water Supply Assessment requested by the City of Oakland for the Downtown Oakland Specific Plan pursuant to California Water Code, Sections 10910-10915.
7. **Motion No. 068-19** – Approved the February and March 2019 Monthly Investment Transactions Reports.
8. **Resolution No. 35137-19** – Adopting Revised Policy 4.07, “Investment Policy.”

DETERMINATION AND DISCUSSION

9. **Conduct a Second Reading of and enact an Ordinance amending the Regional Private Sewer Lateral Ordinance (Ordinance No. 359-13, As Previously Amended), specifically Sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 18 thereof.**
 - Motion by Director Mellon, seconded by Coleman, to approve the recommended action for Item 9, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Mellon, Patterson, and Young); NOES (None); ABSTAIN (None); ABSENT (None).

Ordinance No. 369-19 – An Ordinance Amending Sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, And 18 Of Ordinance No. 359-13, As Previously Amended, Which Is The Regional Private Sewer Lateral Ordinance. *(Second Reading and Vote – Ordinance No. 369-19)*

10. **Introduction and First Reading on an Ordinance amending Section 21 of the EBMUD Employees' Retirement System Ordinance (Ordinance No. 40) to update the actuarially assumed rate of return from 7.25 percent To 7.00 percent.**

Manager of Employee Services Lisa A. Sorani presented an overview of the proposed amendments to the ordinance. At its September 20, 2018 meeting, the Retirement Board adopted the actuaries' recommendation to change the actuarially assumed rate of return (ROR) from 7.25 percent to 7.00 percent. This reduction was recommended to the Retirement Board as part of the June 30, 2018 Actuarial Evaluation. Approval of the proposed amendments ensures the ordinance language is consistent with the change adopted by the Retirement Board in September 2018. The ordinance amendments must be in effect on July 1, 2019. The second reading and vote on the ordinance is scheduled for the May 14, 2019 Board of Directors meeting. The amendments would take effect 30 days after the amended ordinance's passage, and the Municipal Utility District Act requires the amendments be published once a week for two successive weeks in a newspaper of general circulation published in the District.

Ordinance No. 370-19 – An Ordinance, Effective As Of July 1, 2019, Amending Section 21 “Optional Modification Of Retirement Allowance,” to Ordinance No. 40, Which Is The Employees' Retirement System Ordinance. (*Introduction and First Reading*).

11. **File the Water Supply Availability and Deficiency Report in conformance with District Policy 9.03 – Water Supply Availability and Deficiency and declare that the District's water supply is sufficient for meeting customer demands in 2019.**

Engineering Manager Lena L. Tam presented the Water Supply Availability and Deficiency Report. The 2019 assessment determined that the end of September total system storage is projected to be full, greater than 630 thousand acre-feet, resulting in the District's water supply being sufficient to meet customer demands in 2019. The assessment also concludes that projected runoff and water storage require designating “Normal and Above” water year type flows in the lower Mokelumne River under the District's Joint Settlement Agreement (JSA). Based on current 2019 runoff projections for the remainder of the year, Woodbridge Irrigation District will receive its full base supply of 60,000 acre-feet (AF); Jackson Valley Irrigation District can receive its maximum entitlement of 3,850 AF, but direct diversion may not be available in all months; and North San Joaquin Water Conservation District (NSJWCD), a junior water right holder, may receive up to 20,000 AF. Flood control releases continue as necessary to meet flood control obligations. The JSA requires the District notify resource agencies of the availability of surplus water and Ms. Tam reported that surplus water will likely be available for use in the Demonstration Recharge Extraction and Aquifer Management Project, the District's Bayside Groundwater Project and pulse flow operations.

- Motion by Director McIntosh, seconded by Director Patterson, to approve the recommended action for Item 11, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Mellon, Patterson, and Young); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 069-19 – Filed the Water Supply Availability and Deficiency Report in conformance with District Policy 9.03 – Water Supply Availability and Deficiency; and declared the District's water supply is sufficient for meeting customer demands in 2019.

12. General Manager's Report.

Manager of Maintenance and Construction/Water Operations David A. Briggs provided a Water Supply update as of April 21 which included the District's current water supply, springtime reservoir operations, the current snow water content at Caples Lake (212% of average), and precipitation in the East Bay (101% of average) and the Mokelumne (133% percent of average). As of April 21, the District's total system storage was 670,900 acre feet, which is 106% of average and 87% of capacity. He reviewed the plans and processes to be used to notify staff, downstream river users, and key stakeholders as the District prepares to manage Pardee Reservoir inflow and Camanche Reservoir releases once snow melt flows enter the District's system. Mr. Briggs responded to Board questions regarding flood releases, the U.S. Army Corps of Engineers' rule curve, and storage and release practices at the Pacific Gas and Electric reservoir above Pardee Reservoir. Staff will provide a presentation at a future Planning Committee meeting regarding the U.S. Army Corps of Engineers' rule curve.

General Manager Coate commented on the memo regarding the Board meeting video recording pilot and the updated Speakers' Bureau and Outreach Record at Board places.

REPORTS AND DIRECTOR COMMENTS:

13. Committee Reports.

- Filed with the Board were the Planning and Legislative/Human Resources Committee Minutes of April 9, 2019.
- Sustainability/Energy Committee Chair Doug Linney reported the Committee met at 9:30 a.m. to receive information on Photovoltaics; a draft Climate Action Policy; Earthquake Preparedness; a Water Quality Program Annual Update; and a Wastewater Biogas Utilization Update.
- Finance/Administration Committee Chair William B. Patterson reported the Committee met at 10:30 a.m. to receive information on the District's Quarterly Financial Reports; Monthly Investment Transactions Reports; an Investment Policy Annual Review; and an Electronic Bill Presentment and Payment and Payment Processing Update.

14. Other Items for Future Consideration.

None.

15. Director Comments.

- Director Coleman reported attending/participating in the following events: FRWA Board meeting in Oakland on April 11 and a Bay Area Council luncheon in San Francisco on April 16. He reported on plans to attend the following events: Contra Costa County Mayors' Conference in Lafayette on May 2; ACWA Conference in Monterey on May 7; Lafayette Rotary Band Concert in Lafayette on May 11; and a DERWA Special Board meeting in Dublin on May 13.
- Director Katz reported attending/participating in the following events: Oakland League of Women Voters luncheon in Oakland on April 11 and Alameda County Central Labor Council in San Leandro on April 13.

- Director Mellon reported attending/participating in the following events: Alameda County Mayors' Conference in Union City on April 10 and DERWA Special Board meeting in Dublin on April 16.
- Director Patterson reported attending/participating in the following events: Clem Daniels' funeral in Oakland on April 3; The Very Reverend James Vernon Matthews II funeral in Oakland on April 7; and the Oakland League of Women Voters luncheon in Oakland on April 11.
- President Young reported attending/participating in the following events: Ward 3 briefing and a meeting with Steve Woekle in Orinda on April 15.
- Directors Linney and McIntosh had no report.

ADJOURNMENT

At the request of Director McIntosh, President Young closed the meeting in memory of West County Wastewater District Director Leonard "Mac" McNeil who passed away on April 14.

President Young adjourned the meeting at 2:00 p.m.

SUBMITTED BY:



Rischa S. Cole, Secretary of the District

APPROVED: May 13, 2019



Doug Linney, Vice President of the Board